

EXECUTIVE CHAMBERS

HONOLULU

July 13, 2004

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2528

Honorable Members
Twenty-Second Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2528, entitled "A Bill for an Act Relating to Insurance."

The purposes of this bill are to: (1) amend the standards of the loss mitigation grant program by changing the percentage of a grant reimbursement from fifty to thirty-five percent of the cost of purchasing and installing wind-resistive devices; and (2) appropriate \$300,000 out of the general fund for the loss mitigation grant program.

This bill is objectionable because it would take money from the general fund to finance a pilot grant program that would provide inconsequential and meager benefit to the people of this State. The administrative costs that would be needed to establish that program, including costs for providing notice of the program, preparing application forms, processing applications, and other staffing functions that are not included in this bill, could use up much of the appropriation amount. The remaining grant funds would benefit too few property owners to justify setting up this new program.

Although hurricane mitigation is a worthwhile concept, during these difficult economic times the State must resist the urge to utilize general funds for a pilot program. A fully funded program of this nature, that would benefit a significant number of people and that would have an effect upon hurricane mitigation, could cost hundreds of millions of dollars. Thus,

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spending money for this pilot program at this time is not a wise choice.

Decisions like the one to veto this bill are not easy, but they are necessary. Without fiscal discipline and prudent management of the budget, it would be impossible to restore trust and integrity in government and expand and diversify the economy. These are things that we must do to achieve a true new beginning for the people of Hawaii.

For the foregoing reasons, I am returning Senate Bill No. 2528 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii